



CITY OF SAN ANTONIO

P.O. BOX 839966
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July 28, 2006

Phil Hardberger
Mayor

Roland Gutierrez
Councilman, District 3

Delicia Herrera
Councilwoman, District 6

Kevin Wolff
Councilman, District 9

Michael Bernard
City Attorney

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Councilman, District 1

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Councilman, District 4

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Councilwoman, District 7

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Councilman, District 10

Dennis Campa
Director, Department of
Community Initiatives

Sheila McNeil
Councilwoman, District 2

Patti Radle
Councilwoman, District 5

Art Hall
Councilman, District 8

Sheryl Sculley
City Manager

Ladies and Gentlemen:

SUBJECT: Audit Report on Follow-up Audit of Project QUEST, Inc.

The City Internal Audit Department is pleased to attach for your review the report for the Follow-up Audit of Project QUEST, Inc. The audit established that Project QUEST, Inc. (Project QUEST) achieved considerable progress in implementing the recommendations observed in the March 2003 audit of Project QUEST.

The audit disclosed that of the 17 recommendations included in the prior audit, 16 were implemented and one was not implemented. The one recommendation not fully implemented dealt with the timely execution of contracts prior to the start of work for contracted services. The City Management's Corrective Action Plan indicates that procedures are now in place that requires contracts to be executed prior to the start date of the contract.

We appreciate the cooperation and assistance extended to our auditors by the Department of Community Initiatives staff during the course of this audit. Please feel free to contact us to discuss the observations in this report.

Respectfully submitted,

Mark S. Swann CPA, CIA, CISA
Interim City Auditor

Enclosures

cc: Leticia Vacek, City Clerk
Frances Gonzales, Assistant City Manager